

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0187-02
Bill No.: SB 163
Subject: Motor Vehicles; Licenses-Motor Vehicles; Revenue Dept.
Type: Original
Date: February 4, 2003

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
Highway Fund	(\$1,561,587)	(\$972,000)	(\$905,008)
Total Estimated Net Effect on <u>Other</u> State Funds	(\$1,561,587)	(\$972,000)	(\$905,008)

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 5 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials with the **Department of Public Safety** and **Office of Prosecution Services** assume this proposal would have no fiscal impact on their agencies.

Officials with the **Department of Revenue (DOR)-Division of Motor Vehicles and Drivers Licensing (DMV)** assume this proposal could require the division to make program modifications to the over-the-counter driver licensing system in order to obtain and integrate biometric capturing hardware and software into the system.

DOR- Information Technology Bureau (ITB) could require their current staff to use 2,080 overtime hours in order to make the necessary program modifications to several subsystems and 2,080 hours of contracted programming to the over-the-counter driver licensing system in order to integrate the biometric capture requirements and the transmission of the data between the central server and the remote data stations.

ASSUMPTION (continued)

DOR further assumes that biometric capture devices and appropriate software could be required for each drivers license station. Based on information with the current over-the-counter vendor, Digimarc, Inc., such hardware and software integration would be carried out through a per transaction cost to the state due to licensing requirements with biometric software providers.

There could also be additional storage cost for the biometric information. The State Data Center storage cost would be comparable to the current storage requirements for photo and signature images captured on the Missouri driver license, non-driver license and instruction permit.

FY 04 Cost

Overtime Programming Salaries 2080 hours*\$23	\$47,840
Contracted Programming 2080 hours *\$100	\$208,000
Biometric Device 1,545,830 transactions*\$.78	\$1,205,747
Additional Storage Cost	<u>\$100,000</u>
Total	\$1,561,587

FY 05 Cost

Biometric Device 1,414,000 transactions*\$.60	\$848,400
Additional Storage Cost	<u>\$123,600</u>
Total	\$972,000

FY 06 Cost

Biometric Device 1,414,000 transactions*\$.55	\$777,700
Additional Storage Cost	<u>\$127,308</u>
Total	\$905,008

Officials with the **Secretary of State (SOS)** assume DOR could promulgate rules to implement this proposal. These rules would be published in both the Missouri Register and the Code of State Regulations. Based on experience with other divisions, the rules, regulations and forms issued by DOR could require as many as (14) pages in the Code of State Regulations. For any given rule, roughly half again as many pages are published in the Missouri Register as in the Code because of cost statements, fiscal notes and the like are not published in the Code. These costs are estimated. The estimated cost of a page in the Missouri Register is \$23 and the estimated cost of a page in the Code of State Regulations is \$27. The actual cost could be more or less than the numbers given. The impact of this legislation in future years is unknown and depends upon the frequency and length of rules filed, amended, rescinded or withdrawn. The SOS estimates the cost of this legislation to be \$861. $[(14 \times \$27) + (21 \times \$23) = \$861]$

ASSUMPTION (continued)

Oversight assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal. If multiple bills pass which require the printing and distribution of regulations at substantial costs, the SOS could request funding through the appropriation process. Any decisions to raise fees to defray costs would likely be made in subsequent fiscal years.

<u>FISCAL IMPACT - State Government</u>	FY 2004 (10 Mo.)	FY 2005	FY 2006
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HIGHWAY FUND

Cost-Department of Revenue

Salaries	(\$47,840)	\$0	\$0
Contracted Programming	(\$208,000)	\$0	\$0
Biometric Devices	(\$1,205,747)	(\$848,400)	(\$777,700)
Storage Cost	<u>(\$100,000)</u>	<u>(\$123,600)</u>	<u>(\$127,308)</u>
Total <u>Cost-DOR</u>	<u>(\$1,561,587)</u>	<u>(\$972,000)</u>	<u>(\$905,008)</u>

NET ESTIMATED EFFECT ON HIGHWAY FUND	<u>(\$1,561,587)</u>	<u>(\$972,000)</u>	<u>(\$905,008)</u>
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<u>FISCAL IMPACT - Local Government</u>	FY 2004 (10 Mo.)	FY 2005	FY 2006
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

DESCRIPTION

This proposal could require the Director of Revenue to use biometric identification methods for applicants for instruction permits, driver licenses and non-driver licenses (identification cards).

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Revenue
Department of Public Safety
Office of Prosecution Services
Secretary of State
Department of Transportation



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Director
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